

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7526

BILL NUMBER: SB 501

NOTE PREPARED: Jan 10, 2009

BILL AMENDED:

SUBJECT: Uniform commercial code revisions.

FIRST AUTHOR: Sen. Simpson

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: No Fiscal Impact

Summary of Legislation: This bill defines "record" and amends the definitions of "bank" and "good faith" for purposes of the Uniform Commercial Code (UCC). The bill adopts the most recent revisions to the parts of the UCC concerning negotiable instruments and bank deposits and collections, including the following: (1) Provides that a person who has lost possession of an instrument but acquired ownership of the instrument directly or indirectly from a person entitled to enforce it may enforce the lost instrument. (2) Specifies the conditions under which payment of an instrument is discharged, if the instrument has been transferred to another person. (3) Adds provisions concerning telephonically generated checks, in which a consumer authorizes a check to be issued in his or her name over the telephone to pay an obligation. (4) Adds provisions concerning the rights of principal and secondary obligors. (5) Provides that the omission of certain disclosure statements in an instrument used in a consumer transaction is not a defense against enforcement of the instrument. The bill also makes conforming amendments.

Effective Date: July 1, 2010.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

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